

## Message Text

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ACTION COME-00

INFO OCT-01 EA-11 ADP-00 AID-20 EB-11 NSC-10 RSC-01

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FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06 SIL-01

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RSR-01 IO-13 /185 W

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P 200718Z JUL 73

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC PRIORITY 9013

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PASS COMMERCE

E.O. 11652: N/A

TAGS: EIND, ETRD, KS, US

SUBJ: JOINT COMMUNIQUE OF COMMERCE MINISTERS MEETING

FOLLOWING IS TEXT OF JOINT COMMUNIQUE OF THE FIFTH KOREA-  
U.S. COMMERCE MINISTERS MEETING, RELEASED AT CLOSING SESSION  
ON MORNING OF JULY 20:

NAK SUN LEE, MINISTER OF COMMERCE AND INDUSTRY OF THE REPUBLIC  
OF KOREA, AND FREDERICK B. DENT, SECRETARY OF COMMERCE OF  
THE UNITED STATES OF AMERICA HELD THE FIFTH KOREA-U.S.  
COMMERCE MINISTERS MEETING IN SEOUL JULY 19-20, 1973. PHILIP  
C. HABIB, THE AMERICAN AMBASSADOR TO KOREA ALSO PARTICIPATED  
IN THE MEETING.

THE DECISION TO HOLD SUCH MEETING PERIODICALLY WAS MADE BY  
THE PRESIDENT OF THE UNITED STATES AND THE PRIME MINISTER  
OF THE REPUBLIC OF KOREA, DURING THE LATTER'S VISIT TO WASHINGTON  
IN MARCH 1967, FOR THE PURPOSE OF STRENGTHENING AND EXPANDING  
COMMERCIAL RELATIONS BETWEEN THEIR TWO COUNTRIES. THE FOURTH  
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MEETING WAS HELD IN WASHINGTON ON SEPTEMBER 27-28, 1971.

DURING THE COURSE OF THE FIFTH MEETING, MINISTER LEE AND SECRETARY DENT, AND MEMBERS OF THE TWO DELEGATIONS DISCUSSED A WIDE VARIETY OF TOPICS, INCLUDING: THE PROBLEM OF MAINTAINING AN ADEQUATE SUPPLY OF CERTAIN U.S. PRODUCTS WHICH ARE VITAL TO THE KOREAN ECONOMY; PROSPECTS FOR INCREASING IMPORTS OF U.S. PRODUCTS INTO KOREA; THE OUTLOOK FOR INCREASING EXPORTS OF KOREAN PRODUCTS TO THE UNITED STATES, AND OTHER TRADE-RELATED ELEMENTS OF ECONOMIC COOPERATION BETWEEN THE TWO COUNTRIES.

(I)

MINISTER LEE REFERRED TO THE RECENT IMPROVEMENT OF THE KOREA-U.S. TRADE SITUATION AND EMPHASIZED THE IMPORTANCE OF EXPANDING TWO-WAY TRADE WITH THE UNITED STATES IN SUPPORT OF KOREA'S DEVELOPMENT GOALS.

SECRETARY DENT EMPHASIZED THE IMPORTANCE THE UNITED STATES ATTACHES TO THE DEVELOPMENT OF STRONG, BALANCED TRADE WITH KOREA, AND THE UNITED STATES' WILLINGNESS TO WORK WITH KOREA TO REDUCE OR ELIMINATE TEMPORARY IMPEDIMENTS TO THE FREER FLOW OF GOODS BETWEEN THE TWO COUNTRIES.

MINISTER LEE ANNOUNCED THAT THE KOREAN GOVERNMENT IS TAKING CONCRETE STEPS TO INCREASE IMPORTS FROM THE U.S. AS AN INDICATION OF THESE EFFORTS, MINISTER LEE ANNOUNCED THAT A KOREAN PURCHASING MISSION COMPOSED OF REPRESENTATIVES OF GOVERNMENT AND MAJOR IMPORTERS WOULD BE SENT TO THE UNITED STATES IN SEPTEMBER. HE ALSO WELCOMED SECRETARY DENT'S ANNOUNCEMENT THAT A U.S. TRADE CENTER WILL BE ESTABLISHED IN SEOUL EARLY IN 1974, AND EXPRESSED HIS OPINION THAT IT WILL ACCELERATE SALES OF HIGH QUALITY U.S. PRODUCTS IN KOREA.

BOTH MINISTERS NOTED THE IMPORTANCE OF INCREASING U.S. BUSINESSMEN'S AWARENESS OF THE MARKET POTENTIAL OF KOREA. IN ADDITION, MINISTER LEE EXPLAINED THE RECENT REFORM OF THE KOREAN TAX AND TARIFF SYSTEMS IN ORDER TO INCREASE IMPORTS FROM THE U.S. SECRETARY DENT STATED THAT HE APPRECIATES THE EFFORTS AND STEPS THAT ARE BEING TAKEN BY THE KOREAN GOVERNMENT TO ALLOW GREATER ACCESS TO THE KOREAN MARKET FOR THE U.S. PRODUCTS.

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(II)

THE TWO MINISTERS ACKNOWLEDGED THE IMPORTANCE OF THE LONG TERM SUPPLY BY THE U.S. OF SELECTED RAW MATERIALS SUCH AS FERROUS SCRAP, TALLOW, CHEMICAL PULP, RAW COTTON, GRAINS, CAPROLACTAM AND DMT, ALL OF WHICH ARE VITAL TO KOREA TO INSURE UNINTERRUPTED DOMESTIC PRODUCTION.

IN PARTICULAR, MINISTER LEE EXPRESSED HIS GRAVE CONCERN OVER U.S. EXPORT CONTROL ON FERROUS SCRAP AND TALLOW, AND EMPHASIZED THAT THE MATTER IS URGENT AND THAT A STABLE U.S. SUPPLY OF THESE PRODUCTS IS IMPERATIVE.

SECRETARY DENT INDICATED THE DEEP REGRET OF THE U.S. GOVERNMENT THAT UNUSUALLY STRONG EXPORT DEMAND HAD MADE THE IMPOSITION OF TEMPORARY EXPORT CONTROLS NECESSARY. HE PROMISED THAT UPON HIS RETURN TO WASHINGTON, HE WILL REVIEW THE SITUATION, TAKING ALL OF THE VARIOUS COMPLEX FACTORS INTO ACCOUNT. TO ASSIST HIS EVALUATION, HE REQUESTED FURTHER INFORMATION ON THE STATUS OF KOREAN INVENTORIES OF THESE SCARCE COMMODITIES. HE AGREED TO USE HIS BEST EFFORTS TO SECURE AN ADEQUATE AND EQUITABLE FLOW OF EXPORTS OF THESE COMMODITIES, KEEPING IN MIND KOREA'S NEEDS.

(III)

IN REVIEWING THE EXPANSION OF U.S. EXPORT TO KOREA, SECRETARY DENT EXPRESSED HIS HOPE THAT CONTINUED IMPROVEMENT IN KOREA'S INTERNATIONAL PAYMENTS SITUATION WILL PERMIT FURTHER RELAXATION OF IMPORT BARRIERS. THE U.S. SIDE EXPRESSED THE NEED FOR THE REDUCTION OF IMPORT RESTRICTIONS, ESPECIALLY THE REQUIREMENT FOR PRIOR DEPOSITS ON IMPORTS FINANCED WITH KOREAN FOREIGN EXCHANGE.

IN CONNECTION WITH THE U.S. TRADE CENTER, IT WAS POINTED OUT THAT CERTAIN STEPS WILL HAVE TO BE TAKEN TO FACILITATE ENTRY AND SALE OF EXHIBITION ITEMS.

(IV)

IN REVIEWING THE STATUS OF THE PROPOSED TRADE REFORM ACT OF 1973, SECRETARY DENT EXPRESSED THE VIEW THAT THIS BILL IS INTENDED TO CONTRIBUTE TOWARD FAIR INTERNATIONAL TRADE, AND THAT THE U.S. SCHEME CONTAINED IN THIS LEGISLATION WILL FACILITATE GREATER EXPORTS TO THE UNITED STATES OF COMMODITIES FROM DEVELOPING COUNTRIES SUCH AS KOREA. MINISTER LEE OBSERVED WITH SATISFACTION THAT THE GENERALIZED PREFERENCE SCHEME IS INCLUDED IN THE PROPOSED LEGISLATION, BUT HE SAID THAT IF THE BILL IS ENACTED INTO LAW IN ITS PRESENT FORM, ALMOST ALL OF KOREA'S MAJOR EXPORT ITEMS TO THE UNITED STATES WILL BE EXCLUDED FROM PREFERENCE TREATMENT. ON ANOTHER MATTER, MINISTER LEE POINTED OUT THAT THE SURCHARGES LEVIED BY INTERNATIONAL SHIPPING CONFERENCES IN KOREAN PORTS, MIGHT BE AN INHIBITING INCREASED TRADE BETWEEN THE TWO COUNTRIES. SECRETARY DENT AGREED TO REFER THIS MATTER TO THE U.S. FEDERAL MARITIME COMMISSION. (MORE)

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INFO OCT-01 EA-11 ADP-00 AID-20 EB-11 NSC-10 RSC-01

CIEP-02 TRSE-00 SS-15 STR-08 OMB-01 CEA-02 CIAE-00

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L-03 H-03 PA-03 PRS-01 USIA-15 AGR-20 TAR-02 FMC-04

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P 200718Z JUL 73

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC PRIORITY 9015

UNCLAS FINAL SECTION OF 2 SEOUL 4728

PASS COMMERCE

E.O. 11652: N/A

TAGS:EIND, ETRD, KS, US

SUBJ: JOINT COMMUNIQUE OF COMMERCE MINISTERS MEETING

Q. (IN KOREAN.) MR. SECRETAY, WE UNDERSTAND THAT MANY COUNTRIES IN NORTH EUROPE ARE ESTABLISHING DEPLOMATIC CONTACTS WITH NORTH KOREA. WHAT ARE THE POLICIES OF THE UNITED STATES WITH REGARD TO THIS TREND? THE SECOND QUESTIN IS: WE UNDERSTAND THAT IN LATE SEPTEMBER THIS YEAR YOUR GOVERNMENT MAY REVIEW TRAVEL RESTRICTIONS ON AMERICAN PEOPLE TO NORTH KOREA AND OTHER AREAS WHICH HAVE BEEN RESTRICTED IN THE PAST. WHAT IS THE PROSPECT OF FUTURE POLICY ON THIS POINT?

A. ON THE FIRST PART OF YOUR QUESTION. AS A GENERAL POLICY WE FAVOR DIPLOMATIC RELATIONS BETWEEN COUNTRIES, GENERALLY SPEAKING, AND IN THE CASE OF THE KOREAS WE FAVOR IT BUT WE THINK IT SHOULD BE DONE ON A RECIPROCAL BASIS. IN OTHER WORDS, IF WESTERN COUNTRIES ARE GOING TO MOVE QUICKLY TO ESTABLISH DIPLOMATIC RELATIONS WITH NORTH KOREA, THEN  
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WE WOULD WANT AND WOULD HOPE THAT THE EASTERN EUROPEAN COUNTRIES AND THE OTHER SOCIALIST COUNTRIES WOULD ESTABLISH DIPLOMATIC RELATIONS WITH SOUTH KOREA. CLEARLY THERE ARE TWO GOVERNMENTS AND WE THINK DIPLOMATIC RELATIONS WITH BOTH WOULD BE VERY USEFUL. THEREFORE, OUR POLICY WILL BE TO ENCOURAGE THE GOVERNMENTS--IF THEY'RE GOING TO RECOGNIZE OR HAVE DIPLOMATIC RELATIONS WITH NORTH KOREA--WE WOULD ENCOURAGE THEM TO ESTABLISH DIPLOMATIC RELATIONS WITH SOUTH KOREA AND WE WOULD URGE OTHER GOVERNMENTS IN THE WEST TO KEEP IN MIND THAT THEY SHOULD SEEK TO ENCOURAGE RECIPROCITY IN ESTABLISHMENT OF DIPLOMATIC RELATIONS.

THE SECOND QUESTION? TRAVEL RESTRICTIONS.

YES. I THINK THAT THERE MAY BE SOME MISUNDERSTANDING ON THIS POINT. THE LAW IN THE UNITED STATES NOR CONCERNING TRAVEL IS AS FOLLOWS: AN AMERICAN CITIZEN CAN GO ANYWHERE IN THE WORLD HE WANTS TO WITHOUT RESTRICTION. THE GOVERNMENT OF THE UNITED STATES DOES NOT HAVE THE POWER TO PREVENT HIM FROM GOING ANYWHERE IN THE WORLD HE WANTS TO. THE ONLY EXCEPTION BEING, OF COURSE, IF HE IS ON PROBATION OR SOMETHING INVOLVED IN CRIMINAL MATTERS. BUT OTHER THAN THAT, HE CAN GO ANYWHERE HE WANTS TO. NOW, THE UNITED STATES GOVERNMENT DOESN'T HAVE TO VALIDATE HIS PASSPORT, DOESN'T HAVE TO SAY THAT THE GOVERNMENT SUPPORTS SUCH TRAVEL, BUT WE CAN'T STOP A CITIZEN FROM GOING ANYWHERE IN THE WORLD HE WANTS TO. SO THAT WE HAVE DONE IS GRADUALLY SAID AS LONG AS THERE'S NO PROHIBITION, THERE'S NO WAY WE CAN RESTRICT A CITIZEN FROM GOING ANYWHERE HE WANTS TO, THERE'S NO POINT OF HAVING THIS REMAIN IN THE PASSPORT. I'VE FORGOTTEN. I GUESS WE DO HAVE STILL HAVE NORTH VIETNAM RESTRICTED BECAUSE THAT'S A WAR ZONE, AND NORTH KOREA. BUT THE FACT IS THAT THE AMERICAN CAN STILL GO THERE IF HE WANTS TO. HE JUST CAN'T HAVE A PASSPORT TO GO THERE. BUT WE CAN'T STOP HIM.

Q. (IN KOREAN) I HAVE TWO QUESTIONS, MR. SECRETARY. IF THE QUESTION OF THE KOREAN PENINSULA WAS EVER RAISED DURING THE SUMMIT CONFERENCE BETWEEN THE PRESIDENT OF THE UNITED STATES AND THE USSR, WHAT WAS THE NATURE OF THE DISCUSSION? MY SECOND QUESTION IS: WHAT IS THE PROSPECT IN YOUR OPINION THAT KOREA

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CAN SUCCESSFULLY PURSUE THE POLICY SET FORTH BY PRESIDENT PARK ON JUNE 23, HOPEFULLY OPENING DOORS TO COMMUNIST COUNTRIES EVEN THOUGH THEY MAY HAVE DIFFERENT SYSTEMS AND IDEOLOGIES?

A. THAT'S VERY GOOD QUESTION. AS TO THE FIRST PART OF YOUR QUESTION, LET ME SAY THAT WE DON'T DISCLOSE CONVERSATIONS BETWEEN PRESIDENT NIXON AND OTHER PRESIDENTS, OTHER CHIEFS OF STATE, EXCEPT AS REFLECTED IN THE COMMUNIQUE. SO I WOULD NOT WANT TO COMMENT ON THAT EXCEPT TO SAY THAT I CAN ASSURE THE GOVERNMENT OF SOUTH KOREA AND THE PEOPLE OF SOUTH KOREA THAT THERE WAS NO AGREEMENT OF ANY KIND MADE AT THOSE MEETINGS THAT WOULD ADVERSELY EFFECT SOUTH KOREA IN ANY WAY. AND SO NOTHING HAPPENDED THAT WOULD BE DETRIMENTAL TO YOUR INTERESTS.

THE SECOND QUESTION WAS WHAT? (INTERPRETER: WILL, MAY I REPEAT THAT QUESTION, SIR? PRESIDENT PARK, IN HIS JUNE 23RD STATEMENT, PROPOSED THE KOREAN POLICY OF OPENING DOORS TO COMMUNIST COUNTRIES, IN OTHER WORDS MAKING CONTACT WITH COMMUNIST COUNTRIES IF THEY ARE WILLING TO RECIPROCATATE THAT CONTACT. IN YOUR OPINION IS THAT POLICY PRACTICAL?)

A. WELL, WE THINK IT'S A VERY GOOD PROPOSE AND WE SUPPORT IT AND WE THINK IT WILL EVENTUALLY SUCCEED. IT'S SO SENSIBLE AND SUCH A NATURAL STEP TO TAKE THAT EVEN THOUGH THE COMMUNISTS OPPOSE IT FOR A SHORT PERIOD OF TIME WE THINK THAT THE INTERNATIONAL SUPPORT WILL BE OVERWHELMING FOR IT AND IT WILL BE SUCCESSFUL.

IT THINK MAY I SHOULD GO. THANK YOU VERY MUCH, LADIES AND GENTLEMEN, I'VE ENJOYED MY STAY HERE VERY MUCH.  
HABIB

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## Message Attributes

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